

[Docket 14-97]**Foreign-Trade Zone No. 143—
Sacramento, CA Area, Application for
Subzone Status, Hewlett-Packard
Company (Computers and Related
Electronic Products), Sacramento, CA
Area**

An application has been submitted to the Foreign-Trade Zones Board (the Board) by the Sacramento-Yolo Port District, grantee of FTZ 143, requesting special-purpose subzone status for the manufacturing and distribution facilities (computers, printers, measurement devices, medical products and related products) of the Hewlett-Packard Company (Hewlett-Packard), located in the Sacramento, California area. The application was submitted pursuant to the Foreign-Trade Zones Act, as amended (19 U.S.C. 81a-81u), and the regulations of the Board (15 CFR part 400). It was formally filed on March 10, 1997.

The Hewlett-Packard facilities are located at three sites totaling 569.2 acres (5.9 mil. sq. ft. at completion) in the Sacramento, California area:

Site 1 (500.2 acres, 1,233,800 sq. ft. plus 2,900,000 sq. ft. proposed)—main manufacturing plant, 8000 Foothills Boulevard, Roseville, California;

Site 2 (26.7 acres, 515,600 sq. ft.)—warehouse/processing facility, 2975-3055-3071 Venture Drive, Lincoln, California;

Site 3 (42.3 acres, 800,000 sq. ft. plus 400,000 sq. ft. proposed)—warehouse/processing facility, 2222 East Beamer Street/ 221 Hanson Way, Woodland, California.

The facilities (4,000 employees) are used for storage, manufacture, and distribution for import and export of computers and related devices, printers, electronic test and measurement devices, electronic medical products, and related electronic products and components. A number of components are purchased from abroad (an estimated 40% of value on manufactured products), including: printed circuit boards, silicon wafers, rectifiers, integrated circuits, memory modules, CD-ROM drives, disk drives, scanners, hard drives, keyboards, monitors/displays (CRT and LCD type), LEDs, speakers, microphones, belts, valves, bearings, plastic materials, industrial chemicals, sensors, filters, resistors, transducers, fuses, plugs, relays, ink cartridges, toner cartridges, switches, fasteners, cards, transformers, DC/electric motors, magnets, modems, batteries, cabinets, power supplies, cables, copper wire, power cords, optical fiber, casters, cases, labels, and

packaging materials (1997 duty range: free—14.2%).

Zone procedures would exempt Hewlett-Packard from Customs duty payments on foreign components used in export production. On its domestic sales, Hewlett-Packard would be able to choose the lower duty rate that applies to the finished products (free—13.2%) for the foreign components noted above. The application indicates that the savings from zone procedures would help improve the plant's international competitiveness.

In accordance with the Board's regulations, a member of the FTZ Staff has been designated examiner to investigate the application and report to the Board.

Public comment on the application is invited from interested parties. Submissions (original and three copies) shall be addressed to the Board's Executive Secretary at the address below. The closing period for their receipt is May 19, 1997. Rebuttal comments in response to material submitted during the foregoing period may be submitted during the subsequent 15-day period to June 2, 1997.

A copy of the application and the accompanying exhibits will be available for public inspection at each of the following locations:

Office of the Executive Secretary,
Foreign-Trade Zones Board, U.S.
Department of Commerce, Room
3716, 14th and Pennsylvania Avenue,
NW., Washington, DC 20230
Office of the Port Director, Sacramento-
Yolo Port District, 1251 Beacon Blvd.,
Suite 200, West Sacramento, CA
95691

Dated: March 10, 1997.

John J. Da Ponte, Jr.,
Executive Secretary.

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[Docket 11-97]**Foreign-Trade Zone 26—Atlanta, GA,
Area, Expansion of Manufacturing
Authority—Subzone 26D, Yamaha
Motor Manufacturing Corporation of
America Plant (All-Terrain Vehicles),
Newnan, GA**

An application has been submitted to the Foreign-Trade Zones Board (the Board) by the Georgia Foreign-Trade Zone, Inc., grantee of FTZ 26, requesting on behalf of the Yamaha Motor Manufacturing Corporation of America (YMMC), operator of FTZ Subzone 26D, YMMC plant, Newnan, Georgia, an expansion of the scope of authority to include the manufacture of all-terrain

vehicles under FTZ procedures within Subzone 26D. It was formally filed on March 6, 1997.

Subzone 26D was approved by the Board in 1989 with activity granted for the manufacture of personal water craft and golf cars (Board Order 433, 54 FR 24370, 6-7-89). The manufacturing authority for golf cars is subject to a restriction that requires privileged foreign status (19 CFR 146.41) to be elected on all foreign components.

YMMC is now requesting authority to expand the scope of FTZ authority to include the manufacture of four wheel, all-terrain vehicles (ATVs) under FTZ procedures for the U.S. market and export. The plant's manufacturing space will be increased from 400,000 to 540,000 square feet within the 238-acre plant site. The new all-terrain vehicle activity will involve welding, plastic molding, painting, and assembly using domestic and foreign components. Foreign-sourced components and subassemblies will comprise approximately 49 percent of the finished ATVs material value, and include: engines, head/tail lights, wiring harnesses, electrical components, spark plugs, flanges/spacers/grommets, ignition coils, starter motors, breathers, pulleys, exhaust components, carburetors, axles, pinion gears, brake components, fasteners, shock absorbers, springs, bearings, hoses, gaskets/seals, o-rings, steering gears (duty rate range: free-8.9%). The application indicates that 54 percent of the finished ATVs' material value will be U.S. sourced within four years of the launch of production.

FTZ procedures would exempt YMMC from Customs duty payments on the foreign components used in export activity (about 2% of shipments). On its domestic sales, the company would be able to elect the duty rate that applies to finished ATVs (2.5%) for the foreign components noted above. The application indicates that the savings from FTZ procedures would help improve the plant's international competitiveness.

Public comment on the application is invited from interested parties. Submissions (original and three copies) shall be addressed to the Board's Executive Secretary at the address below. The closing period for their receipt is May 19, 1997. Rebuttal comments in response to material submitted during the foregoing period may be submitted during the subsequent 15-day period (to June 2, 1997).

A copy of the application will be available for public inspection at the following location: Office of the Executive Secretary, Foreign-Trade